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Office of the
Chief Economist

World Agricultural
Outlook Board

Long-term
Projections Report
OCE-2014-1

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USDA Agricultural Projections to 2023

Interagency Agricultural Projections Committee

World Agricultural Outlook Board, Chair
Economic Research Service
Farm Service Agency
Foreign Agricultural Service
Agricultural Marketing Service
Office of the Chief Economist
Office of Budget and Program Analysis
Risk Management Agency
Natural Resources Conservation Service
National Institute of Food and Agriculture

USDA Long-term Projections

Long-term Projections on the Internet

USDA Agricultural Projections to 2023 is available in both pdf and Microsoft Word formats at:

www.usda.gov/oce/commodity/projections/

and also at:

www.ers.usda.gov/publications/oce-usda-agricultural-projections/oce141.aspx

Data from the new USDA long-term projections are available electronically at:

usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1192

Information on USDA's long-term projections process may be found at:

www.ers.usda.gov/topics/farm-economy/agricultural-baseline-projections/usdas-long-term-projections-process.aspx

USDA Agricultural Projections to 2023. Office of the Chief Economist, World Agricultural Outlook Board, U.S. Department of Agriculture. Prepared by the Interagency Agricultural Projections Committee. Long-term Projections Report OCE-2014-1, 97 pp.

Abstract

This report provides projections for the agricultural sector to 2023. Projections cover agricultural commodities, agricultural trade, and aggregate indicators of the sector, such as farm income. The projections are based on specific assumptions about macroeconomic conditions, policy, weather, and international developments, with no domestic or external shocks to global agricultural markets. The 2008 Farm Act was assumed to be extended and remain in effect through the projection period. The projections are one representative scenario for the agricultural sector for the next decade and reflect a composite of model results and judgment-based analyses. The projections in this report were prepared during October through December 2013 and, thus, do not reflect the subsequently enacted Agricultural Act of 2014.

In the near term, the agricultural sector continues to respond to high prices for many farm commodities in recent years. Global agricultural production of most major crops remains high, for example, and prices initially fall. Following those near-term adjustments, longrun developments for global agriculture reflect steady world economic growth and continued global demand for biofuels. Those factors combine to support longer run increases in consumption, trade, and prices of agricultural products. Thus, following reductions from 2013 levels through 2016, farm cash receipts and the value of U.S. agricultural exports grow beyond 2016. Although farm production expenses also increase beyond 2015, net farm income remains historically high.

Keywords: Projections, crops, livestock, biofuel, ethanol, biodiesel, trade, farm income, U.S. Department of Agriculture, USDA

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USDA Long-term Projections: Background

USDA's long-term agricultural projections presented in this report are a departmental consensus on a longrun scenario for the agricultural sector. These projections provide a starting point for discussion of alternative outcomes for the sector.

The projections in this report were prepared during October through December 2013, with the 2008 Farm Act assumed to be extended and remain in effect through the projection period. Therefore, the projections do not reflect the subsequently enacted Agricultural Act of 2014. As such, the scenario presented in this report is not a USDA forecast about the future. Instead, it is a conditional, longrun scenario about what would be expected to happen under a continuation of 2008 farm legislation and other specific assumptions. Critical long term assumptions are made for U.S. and international macroeconomic conditions, U.S. and foreign agricultural and trade policies, and growth rates of agricultural productivity in the United States and abroad. The report assumes that there are no domestic or external shocks that would affect global agricultural supply and demand. Normal weather is assumed. Changes in any of these assumptions can significantly affect the projections, and actual conditions that emerge will alter the outcomes.

The report uses as a starting point the short-term projections from the November 2013 *World Agricultural Supply and Demand Estimates* report. The macroeconomic assumptions were completed in October 2013.

The projections analysis was conducted by interagency committees in USDA and reflects a composite of model results and judgment-based analyses. The Economic Research Service had the lead role in preparing the departmental report. The projections and the report were reviewed and cleared by the Interagency Agricultural Projections Committee, chaired by the World Agricultural Outlook Board. USDA participants in the projections analysis and review include the World Agricultural Outlook Board; the Economic Research Service; the Farm Service Agency; the Foreign Agricultural Service; the Agricultural Marketing Service; the Office of the Chief Economist; the Office of Budget and Program Analysis; the Risk Management Agency; the Natural Resources Conservation Service; and the National Institute of Food and Agriculture.

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